



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

APR 01 2011

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Various Budget Bill Items, Support, Business, Transportation and Housing Agency

It is requested that the following items be decreased and added:

Decrease Item 0520-001-0044 by \$84.4 million, and add Item 0520-011-0890 in the amount of \$27,823,000 to reflect an award of \$168.6 million under the federal Small Business Jobs Act of 2010 for funding that assists small business development (see Attachment 1). The funding will be split equally between the Business, Housing and Transportation Agency's (BTH) Small Business Loan Guarantee Program (SBLGP) and the California Pollution Control Authority's California Capital Access Program. Both programs, through either loan insurance or guarantees encourage banks and other financial institutions to make loans to small businesses that fall just outside of most banks' conventional underwriting standards. The SBLGP will receive a total of \$84.3 million, transferred to California in three installments. The first installment was received in fiscal year 2010-11, and the second installment will be transferred when California has encumbered 80 percent of the first installment, which BTH anticipates to be during 2011-12.

It is also requested that Item 0520-001-0918 be added in the amount of \$150,000, and that Item 0520-001-0044 be amended to reflect this change for state operations costs that will be paid from the Small Business Expansion Fund consistent with federal guidelines.

The effect of my requested action is reflected on the attachment.

APR 01 2011

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If you have any questions or need additional information regarding this matter, please call Kathryn Amann, Principal Program Budget Analyst, at (916) 322-2263.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzosa, Staff Director
Honorable Bob Huff, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Michael Rubio, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Joan Buchanan, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Traci Stevens, Acting Undersecretary, Business, Transportation and Housing Agency
Mr. William Davidson, Finance Deputy, Business, Transportation and Housing Agency

APR 01 2011

Attachment I

0520-011-0890—For transfer, upon order of
the Director of Finance, to the Small Business
Expansion Fund27,823,000



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 0530-001-0001 and Reimbursements, Support, Health and Human Services Agency

Tech4Impact Grant Award (Issue 302)—It is requested that Item 0530-001-0001 be amended by increasing Reimbursements by \$65,000. The California Health and Human Services Agency (HHSA) was awarded a \$100,000 grant by the Public Health Institute Center for Technology and Aging (a private nonprofit research and education organization). This Tech4Impact Grant supports the incorporation of web-based technology into the existing Aging and Disability Resource Connection transition care program. The HHSA requested \$35,000 in spending authority for fiscal year 2010-11 through a budget revision, which has been processed. This request is for the remaining \$65,000 to be expended in 2011-12 to continue project activities. The grant does not require a state match.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Thomas Williams, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzosa, Staff Director
Honorable Bob Huff, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Holly Mitchell, Chair, Assembly Budget Subcommittee No. 1
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Ms. Katie Marcellus, Assistant Secretary, Health and Human Services Agency
Ms. Karol Swartzlander, Project Director, California Community Choices, Health and Human Services Agency
Mr. Tom Grant, Budget Officer, Department of Social Services



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Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance,
Secretary of the Natural Resources Agency**

Statewide Bond Oversight

It is requested that Item 0540-001-0005 be increased by \$123,000, Item 0540-001-6029 be increased by \$88,000, Item 0540-001-6031 be increased by \$100,000 and Item 0540-001-0140 be amended to reflect these changes. Additionally, it is requested that 2.0 existing limited-term positions be extended to continue oversight of resources bond measures.

The Natural Resources Agency (Agency) oversees the statewide implementation of resources bond programs authorized by Propositions 12, 13, 40, 50, and 84. This request would extend 2.0 limited-term positions for an additional four years. A significant amount of bond funds continue to be awarded and the Agency's oversight and coordination remains necessary.

California River Parkways—Reappropriation

It is requested that Item 0540-490 be added to extend the liquidation period for River Parkway projects funded from various previous Budget Acts. Due to a variety of factors, including California Environmental Quality Act compliance, site issues, and the 2008 bond freeze, several River Parkway projects have been delayed. This request will provide additional time for the projects to be completed. (See Attachment A.)

Reversion—San Joaquin River Restoration

It is requested that Item 0540-495 be added to revert \$7,438,392 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84) appropriated in the 2007 Budget Act. This action is necessary to redirect the unused balance of funds from completed projects, or projects selected for funding that did not proceed, for other projects to restore the San Joaquin River. (See Attachment B.)

Coastal Impact Assistance Program

It is requested that Item 0540-001-0890 be increased by \$3.5 million and that Item 0540-001-0140 be amended to reflect this change to enable the Agency to receive federal funds for the Coastal Impact Assistance Program (CIAP). The federally approved state CIAP plan includes 25 projects totaling \$16.0 million. The balance of California's CIAP allocation, \$9.0 million, will be allocated through the remainder of 2010-11 and 2011-12.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Matt Almy, Principal Program Budget Analyst, at (916) 324-0043.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Huff, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Joe Simitian, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Gordon, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. John Laird, Secretary, Natural Resources Agency
Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, Natural Resources Agency
Mr. Bryan Cash, Deputy Assistant Secretary, Natural Resources Agency
Ms. Marcy Brown, Manager, Department of Parks and Recreation

Attachment A

0540-490—Reappropriation, Secretary of the Natural Resources Agency. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2014:

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

- (1) Item 0540-101-0005, Budget Act of 2000 (Ch. 52, Stats. 2000) as reappropriated by Item 0540-490, Budget Act of 2002 (Ch. 379, Stats. 2002) as reappropriated by Item 0540-490, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

6015—River Protection Subaccount

- (1) Item 0540-101-6015, Budget Act of 2002 (Ch. 379, Stats. 2002) as reappropriated by Item 0540-490, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

- (1) Item 0540-101-6029, Budget Act of 2002 (Ch. 379, Stats. 2002) as reappropriated by Item 0540-490, Budget Act of 2004 (Ch. 208, Stats. 2004) as reappropriated by Item 0540-490, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

- (1) Item 0540-101-6031, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005) as reappropriated by Item 0540-491, Budget Act of 2009 (Ch. 1, Stats. 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.)
- (2) Item 0540-101-6031, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (3) Item 0540-101-6031, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006

- (1) Section 75124 of the Public Resources Code, as added by Chapter 729 of the Statutes of 2008
- (2) Item 0540-101-6051, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (3) Item 0540-101-6051, Budget Act of 2009 (Ch. 1, Stats. 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.)

Attachment B

0540-495—Reversion, Secretary of the Natural Resources Agency.
As of June 30, 2011, the balance specified below, of the appropriations
provided in the following citations shall revert to the balance in the fund
from which the appropriations were made:

6051—Safe Drinking Water, Water Quality and Supply, Flood Control,
River and Coastal Protection Fund of 2006

- (1) \$7,438,392 from Item 0540-001-6051, Budget Act of 2007
(Chs. 171 and 172, Stats. 2007)



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Items 0555-001-0044 and 0555-001-0890, Support,
Secretary for Environmental Protection**

It is requested that Item 0555-001-0890 be increased by \$388,000 and that Item 0555-001-0044 be amended to reflect this change. The requested increase will provide appropriation authority needed to expend environmental literacy grant funds expected to be awarded to the Office of the Secretary by the National Oceanic and Atmospheric Administration (NOAA) for teacher workshops and professional development to advance environmental education in California. The NOAA anticipates announcing grant awardees no later than June 30, 2011, with funding to be made available to successful applicants on July 1, 2011, and expect funded projects to begin spending immediately.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jesse McGuinn, Principal Program Budget Analyst, at (916) 324-0043.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: On following page

APR 01 2011

-2-

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Huff, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Joe Simitian, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Gordon, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Eric Jarvis, Assistant Secretary for Fiscal and Administrative Programs, Secretary for
Environmental Protection
Ms. Cathleen Chapin, Branch Chief, Administrative Services Division, Air Resources Board



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APR 12 2011

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 0840-001-0001 and Reimbursements, Support,
State Controller's Office**

It is requested that Item 0840-001-0001 be amended by increasing Reimbursements for the following:

- 1) \$217,000 on a permanent basis to reflect increased postage expense.
- 2) \$1,751,000 to continue to fund 12.6 existing expiring positions (12.0 PYs) for two more years to allow State Controller's Office (SCO) to continue audits of Indirect Cost Allocation Plans submitted to the California Department of Transportation (CalTRANS) by local government agencies submitting claims for payment of expenditures of federal funds. The SCO received similar resources on a two-year, limited-term basis, for the fiscal-years 2009-10 and 2010-11. Those positions and funding are expiring; however, CalTRANS has requested the SCO continue to provide the services for another two fiscal years.
- 3) \$2,098,000 and 16.4 non-add positions (15.5 PYs) on a permanent basis to allow the SCO to prepare annual financial transactions reports for all local governments (cities, counties, and special districts including Redevelopment Agencies [RDAs] and Joint Powers Authorities [JPAs]) that fail to file an annual report per Government Code (GC) section 12463 (special RDA requirements are in GC section 12463.3 and special JPA requirements are in GC section 53891). In addition, the SCO will use the resources to investigate, per GC section 12464, if there is reason to believe that a filed report is false, incomplete, or incorrect.

It is also requested that Budget Bill or trailer bill language be amended as follows to ensure proper deployment of the SCO's 21st Century Project:

- A) Extend funding mechanism until the end of fiscal-year containing the revised project completion date.
- B) Extend eligible employee status to a limited number of SCO staff working on the 21st Century Project from within the Information Systems Division of the SCO.
- C) Limit the SCO's administrative responsibility in the U.S. Savings Bond purchase program to setting up the payroll deduction only as the federal "TreasuryDirect" program administers the remainder of the process.

D) Provide the 21st Century Project an alternative mechanism, besides the ordinary 9840 process, for requesting current-year funding for unanticipated costs when the amount of additional project funding required is less than the level that would require revision of project's Special Project Report.

Section 12432 of the Government Code is amended to read:

12432. (a) The Legislature hereby finds and declares that it is essential for the state to replace the current automated human resource/payroll systems operated by the Controller to ensure that state employees continue to be paid accurately and on time and that the state may take advantage of new capabilities and improved business practices. To achieve this replacement of the current systems, the Controller is authorized to procure, modify, and implement a new human resource management system that meets the needs of a modern state government. This replacement effort is known as the 21st Century Project.

(b) Notwithstanding any other provision of law, beginning with the 2004-05 fiscal year, the Controller may assess the special and nongovernmental cost funds in sufficient amounts to pay for the authorized 21st Century Project costs that are attributable to those funds. Assessments in support of the expenditures for the 21st Century Project shall be made quarterly, and the total amount assessed from these funds annually ~~may~~ shall not exceed the total expenditures incurred by the Controller for the 21st Century Project that are attributable to those funds in that fiscal year. Appropriations for this purpose shall be made in the annual Budget Act.

(c) To the extent permitted by law, beginning with the 2004-05 fiscal year, the Controller shall establish agreements with various agencies and departments for the collection from federal funds of costs that are attributable to federal funds. The total amount collected from those agencies and departments annually ~~may~~ shall not exceed the total expenditures incurred by the Controller for the 21st Century Project that are attributable to federal funds in that fiscal year. Appropriations for that purpose shall be made in the annual Budget Act.

(d) It is the intent of the Legislature that, beginning not earlier than the 2006-07 fiscal year, future annual Budget Acts include General Fund appropriations in sufficient amounts for expenditures for the 21st Century Project that are attributable to the General Fund. It is the Legislature's intent that the share of the total project costs paid for by the General Fund shall be equivalent to the share of the total project costs paid for from special and nongovernmental cost fund assessments and collections from federal funds.

(e) This section shall remain in effect only until June 30, ~~2011~~ 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before June 30, ~~2011~~ 2014, deletes or extends that date.

Section 3527 of the Government Code is amended to read:

3527. As used in this chapter:

(a) "Employee" means a civil service employee of the State of California. The "State of California" as used in this chapter includes such state agencies, boards, and commissions as may be designated by law that employ civil service employees, except the University of California, Hastings College of the Law, and the California State University.

(b) "Excluded employee," means all managerial employees, as defined in subdivision (e) of Section 3513, all confidential employees, as defined in subdivision (f) of Section 3513, and all supervisory employees, as defined in subdivision (g) of Section 3513, and all civil service employees of the Department of Personnel Administration, professional employees of the Department of Finance engaged in technical or analytical state budget preparation other than the auditing staff, professional employees in the Personnel/Payroll Services Division of the Controller's office engaged in technical or analytical duties in support of the state's personnel and payroll systems other than the training staff, up to 15 professional employees in the Information Systems Division of the Controller's office engaged in a minimum of 85 percent technical or analytical duties, in support of the state's personnel and payroll systems, employees of the Legislative Counsel Bureau, employees of the Bureau of State Audits, employees of the Public Employment Relations Board, conciliators employed by the State Conciliation Service within the Department of Industrial Relations, employees of the office of the State Chief Information Officer except as provided in Section 11546.5, and intermittent athletic inspectors who are employees of the State Athletic Commission.

(c) "Supervisory employee organization" means an organization that represents members who are supervisory employees under subdivision (g) of Section 3513.

(d) "Excluded employee organization" means an organization that includes excluded employees of the state, as defined in subdivision (b), and that has as one of its primary purposes representing its members in employer-employee relations. Excluded employee organization includes supervisory employee organizations.

(e) "State employer" or "employer," for purposes of meeting and conferring on matters relating to supervisory employer-employee relations, means the Governor or his or her designated representatives.

Section 12420.1 of the Government Code is amended to read:

12420.1 The Controller shall establish special accounts deductions for any state officer or employee requesting salary or wage deductions in order that sufficient funds may be accumulated to his credit for the purchase of United States savings bonds or similar United States obligations through the Federal TreasuryDirect Program. ~~Funds so accumulated are trust funds and may be withdrawn from the treasury upon claims filed by the Controller for the purchase of such obligations, or for refunds.~~

Provision 14 in Item 0840-001-0001 be amended as follows:

"14. Notwithstanding the provisions of Item 9840-001-0001, ~~Item~~ 9840-001-0494 and Item 9840-001-0988, the Department of Finance may adjust the amounts authorized under Item 0840-001-0001 and Section 25.25 of this act, consistent with the funding schedule included in the most recently approved Special Project Report for the 21st Century Project. If an adjustment for unanticipated costs below the limits that would require a Special Project Report is requested, and the request does not exceed \$5 million cumulatively from all fund sources combined for the fiscal year, with sufficient justification provided by SCO to support the increase, the Department of Finance may authorize the adjustments. No adjustments shall be made pursuant to this provision prior to a 30-day notification in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house of the Legislature that consider appropriations."

APR 12 2011

-4-

The effect of my requested actions is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Oscar Chaves, Principal Program Budget Analyst, at (916) 445-5332.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Huff, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Michael Rubio, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Joan Buchanan, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable John Chiang, State Controller
Mr. Collin Wong-Martinusen, Chief of Staff, State Controller's Office
Mr. John Hiber, Chief Operating Office, State Controller's Office
Mr. Jim Lombard, Chief Administrative Officer, State Controller's Office
Mr. Tom Yowell, Chief of Administration and Disbursements, State Controller's Office
Mr. Ernesto Hidalgo, Chief of Budgets and Contracts, State Controller's Office
Ms. Jennifer Chavez, Budget Officer, State Controller's Office



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 0845-101-0217, Local Assistance, California Department of Insurance

It is requested that Item 0845-101-0217 be increased by \$1,646,000 to provide additional funding for the Workers' Compensation Fraud Program. This increase would align the California Department of Insurance's expenditure authority for the Workers' Compensation Fraud Program with the new funding level approved by the Fraud Assessment Commission (FAC) for 2011-12. An adjustment is requested periodically by the Department when the FAC approves a change in funding for the program.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call John Fitzpatrick, Principal Program Budget Analyst, at (916) 445-8913.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: On following page

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Honorable Joan Buchanan, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Robin Baker, Deputy Commissioner, Administrative Services and Licensing Branch,
Department of Insurance
Ms. Julia Cross, Chief, Financial Management Division, Department of Insurance
Ms. Kerry Li, Budget Officer, Budget and Revenue Management Bureau,
Department of Insurance



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Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 0890-001-0001 and Reimbursements, Support,
Secretary of State**

It is requested that Item 0890-001-0001 be amended by increasing Reimbursements by \$1,160,000 to cover costs associated with the first phase of the California Business Connect Project. By updating legacy information technology systems and automating labor-intensive manual processes within the Business Programs Division, this project would (among other things) streamline business processes, increase efficiency, and address backlog issues. Funding for each of the five phases of this project would be requested annually on a one-year basis. This request would allow the Secretary of State's Office to solicit a vendor and consultants to work with department staff to confirm business requirements and to write a Request for Proposal for a solution-based procurement, as well as hire students to backfill behind staff that are redirected to the project.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call John Fitzpatrick, Principal Program Budget Analyst, at (916) 445-8913.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

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Honorable Michael Rubio, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Joan Buchanan, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable Debra Bowen, Secretary of State
Ms. Janice Lumsden, Deputy Secretary of State, Operations, Secretary of State
Ms. Dora Mejia, Chief, Management Services, Secretary of State
Ms. Linda Arviso-Hunt, Fiscal Affairs Manager, Secretary of State
Ms. Kristin Dagsher, Budget Officer, Secretary of State
Ms. Mary Winkley, Deputy Secretary of State, Information Technology and Policy,
Secretary of State



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Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 0971-001-0528 and Reimbursements, Support,
California Alternative Energy and Advanced Transportation Financing Authority**

It is requested that Item 0971-001-0528 be amended by increasing Reimbursements by \$205,000 in fiscal year 2011-12 only to provide funding to enable California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to assist the California Energy Commission (CEC) to continue implementing the requirements of Chapter 470, Statutes of 2009 (AB 758) through a contract with the Local Government Commission (LGC).

The CAEATFA submitted and Department of Finance approved a Control Section 28.00 request for an increase in Reimbursements of \$4,318,000 in 2010-11. The Section 28.00 letter was submitted to the Legislature on March 10, 2011. The CAEATFA will collaborate with other subcontractors and financial advisors to develop standards for financial products and lenders as part of a financial clearinghouse that will offer consumer financing for energy efficiency and renewable energy products. This request is to continue work in 2011-12 on the same project.

The resources will enable the CAEATFA to complete the work of its subcontractor agreement with the LGC. The CAEATFA workload includes administrative tasks such as providing monthly progress reports, such as summaries of clearinghouse and finance subsidy activities. The CAEATFA is also tasked with review and approval of financial products ongoing as the extent of the finance product options will be contingent upon stringency of qualifying criteria and participation of lenders. The CAEATFA will be responsible for managing the loan loss reserve fund and/or other credit enhancement mechanism established.

The effect of my requested action is reflected on the attachment.

APR 01 2011

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If you have any questions or need additional information regarding this matter, please call Oscar Chaves, Principal Program Budget Analyst, at (916) 445-5332.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Huff, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Michael Rubio, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Joan Buchanan, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable Bill Lockyer, State Treasurer
Mr. Steve Coony, Chief of Staff, State Treasurer's Office
Ms. Christine Solich, Executive Director, California Alternative Energy and Advanced
Transportation Financing Authority
Mr. Hugo López, Director, Administrative Division, State Treasurer's Office
Ms. Rebecca Grajski, Budget Officer, Administrative Division, State Treasurer's Office